

ELLI MAN REPORT

MAY 2017

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.2%

VACANCY

Vacancy Rate

0.79%

NEW LEASES

Excludes Renewals

17.1%

OP + CONCESSIONS

Market Share

12.5%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.2%

- More high-end rentals entered the market, skewing overall prices higher
- Market share of landlord concessions remained high, more than double year ago level
- Vacancy rate fell below 2% for first time in 2 years, evidence concessions remain effective

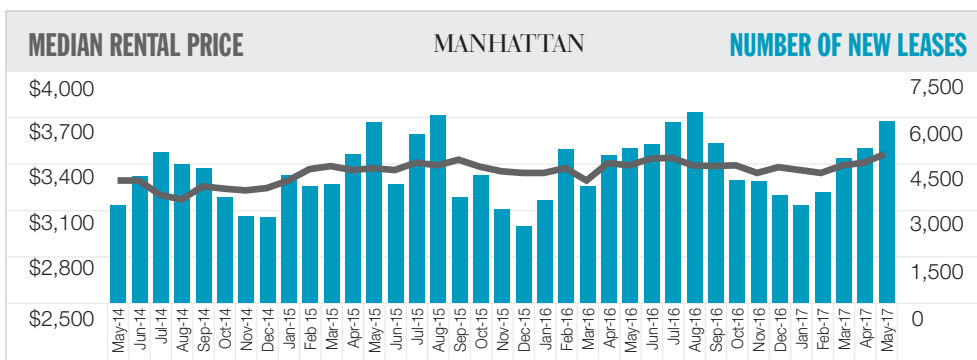
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Manhattan Rental Market		MAY-17	%Δ (mo)	APR-17	%Δ (yr)	MAY-16
Average Rental Price		\$4,208	3.3%	\$4,075	4.4%	\$4,030
Rental Price per Sq Ft		\$66.94	1.5%	\$65.93	2.0%	\$65.63
Median Rental Price		\$3,475	1.7%	\$3,417	2.2%	\$3,400
Number of New Leases		5,969	17.4%	5,086	17.1%	5,099
Days on Market (From Original List Date)		44	-13.7%	51	2.3%	43
Listing Discount (From Original List Price)		1.9%		2.1%		2.1%
Listing Inventory		7,219	1.4%	7,118	5.2%	6,861
Vacancy Rate		1.72%		2.00%		2.51%
Manhattan Rental w/Concessions		MAY-17	%Δ (mo)	APR-17	%Δ (yr)	MAY-16
Median Rental Price		\$3,377	2.1%	\$3,309	0.6%	\$3,358
Share of New Leases w/OP + Concessions (%)		25.1%		28.6%		12.6%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	8.3%	1.2
Manhattan Rental Market by Size		MAY-17	%Δ (mo)	APR-17	%Δ (yr)	MAY-16
Studio -	Average Rental Price	\$2,777	3.3%	\$2,688	6.3%	\$2,612
	Rental Price per Sq Ft	\$66.70	1.5%	\$65.69	-0.1%	\$66.80
	Median Rental Price	\$2,650	2.9%	\$2,575	3.4%	\$2,562
	Number of New Leases	1,376	17.1%	1,175	18.7%	1,159
1-Bedroom -	Average Rental Price	\$3,476	-1.3%	\$3,520	-0.5%	\$3,492
	Rental Price per Sq Ft	\$62.89	-0.1%	\$62.97	-0.7%	\$63.36
	Median Rental Price	\$3,450	1.5%	\$3,400	0.8%	\$3,424
	Number of New Leases	2,467	13.7%	2,170	15.2%	2,141
2-Bedroom -	Average Rental Price	\$4,986	2.9%	\$4,846	2.3%	\$4,875
	Rental Price per Sq Ft	\$65.88	4.4%	\$63.08	2.7%	\$64.16
	Median Rental Price	\$4,500	3.4%	\$4,354	6.6%	\$4,223
	Number of New Leases	1,487	22.2%	1,217	17.1%	1,270
3+ Bedroom -	Average Rental Price	\$8,304	7.9%	\$7,695	13.9%	\$7,289
	Rental Price per Sq Ft	\$74.09	-1.7%	\$75.38	3.2%	\$71.82
	Median Rental Price	\$6,000	7.3%	\$5,593	10.7%	\$5,420
	Number of New Leases	639	21.9%	524	20.8%	529

The use of concessions by Manhattan landlords remained high and effective as the vacancy rate fell below 2 percent for the first time in two years. The market share of concessions was 25.1% of new leases, double the 12.6% market share of the same period last year. The vacancy rate fell to 1.72% from 2.51% over the same period. The net effective median rent – face rent less the rental equivalent of brokerage commissions and free

rent – showed a nominal 0.6% gain to \$3,377 over the same period. However, the increase was due to a shift in mix towards higher-end units entering the market. New development leases more than doubled, and the number of new leases signed at or above \$15,000 nearly doubled. As a result, the 2-bedroom and 3 or more bedroom rental price trends skewed higher. Aside from this temporary shift in the mix,

the rental market continued to show weakness at the top of the market and more strength at the entry-level. This same pattern can be seen through the doorman amenity, which accounted for about half of new leases and saw no change in median rent of \$3,755 from the same period last year. Non-doorman median rent, representing the lower end of the market, rose 1.7% to \$3,000 respectively over the same period.



PROPERTY TYPE

- “Non-doorman” median rent continued to outperform “Doorman”
- New development leases more than doubled

Manhattan Rental Market By Property Type	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Doorman Median Rental Price	\$3,755	-0.1%	\$3,758	0.0%	\$3,755
Non-Doorman Median Rental Price	\$3,000	0.2%	\$2,995	1.7%	\$2,950
Loft Median Rental Price	\$4,050	-2.4%	\$4,150	-37.7%	\$6,504
New Development Median Rental Price	\$4,435	9.0%	\$4,070	-5.2%	\$4,676

BY PRICE

- New leases at or above \$15,000 nearly doubled
- High-end lease volume skewed 2 & 3-bedroom leases higher
- Luxury rent threshold expanded

Manhattan Rental Market By Price	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Luxury (Top 10%) - Average Rental Price	\$10,668	8.0%	\$9,876	8.2%	\$9,861
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.42	-0.5%	\$77.80	2.1%	\$75.85
Luxury (Top 10%) - Median Rental Price	\$8,000	0.1%	\$7,995	0.9%	\$7,929
Luxury (Top 10%) - Number of New Leases	613	19.7%	512	20.2%	510
Luxury (Top 10%) - Entry Threshold	\$6,495	3.2%	\$6,295	3.1%	\$6,302
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,560	1.4%	\$4,495	2.8%	\$4,435
Mid Tier (2nd 30%) - Median Rental Price	\$3,300	1.0%	\$3,267	1.6%	\$3,249
Entry Tier (1st 30%) - Median Rental Price	\$2,399	0.2%	\$2,395	1.7%	\$2,360

BY LOCATION

DOWNTOWN

- New leases surged
- Vacancy rate fell sharply

Downtown Market Matrix	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Median Rental Price	\$3,795	2.6%	\$3,700	2.7%	\$3,695
Number of New Leases	2,734	13.9%	2,400	20.0%	2,279
Vacancy Rate	1.75%		2.33%		2.52%

EAST SIDE

- Median price slipped
- Jump in new leases

East Side Market Matrix	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Median Rental Price	\$3,200	-2.2%	\$3,273	-1.5%	\$3,249
Number of New Leases	1,462	20.4%	1,214	18.9%	1,230
Vacancy Rate	1.42%		1.92%		1.92%

WEST SIDE

- Vacancy rate expanded
- Median priced edge higher

West Side Market Matrix	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Median Rental Price	\$3,450	3.8%	\$3,323	1.5%	\$3,400
Number of New Leases	1,296	21.3%	1,068	14.7%	1,130
Vacancy Rate	2.42%		1.63%		1.83%

UPTOWN

- Median rent slipped
- Large decline in vacancy rate

Uptown Market Matrix	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Median Rental Price	\$2,350	-4.1%	\$2,450	-0.8%	\$2,370
Number of New Leases	477	18.1%	404	3.7%	460
Vacancy Rate	1.15%		1.68%		4.34%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.9%

INVENTORY

Total Inventory

23.5%

NEW LEASES

Excludes Renewals

22.8%

OP + CONCESSIONS

Market Share

6.4%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

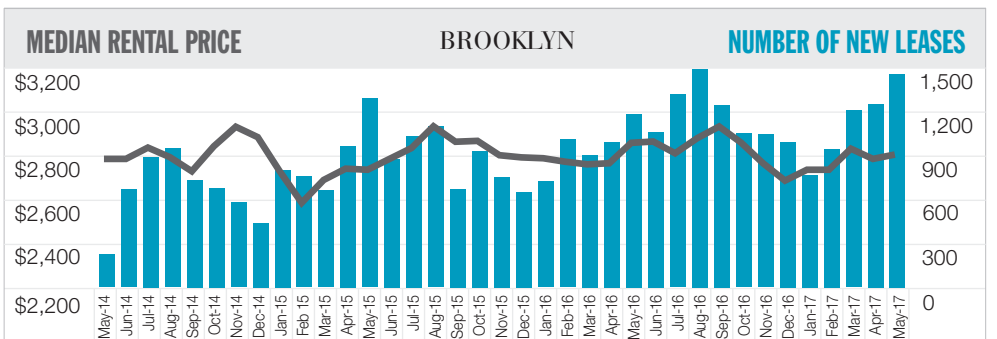
Listing Discount

0.2%

- Listing inventory expanded as median rental price slipped
- Market share of concessions remained high, double year ago level
- Brooklyn median rent was \$655 less than Manhattan median rent

Brooklyn Rental Market		MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16	
Average Rental Price		\$3,137	-0.6%	\$3,156	0.1%	\$3,134	
Rental Price per Sq Ft		\$44.93	-2.2%	\$45.96	-4.1%	\$46.84	
Median Rental Price		\$2,820	0.7%	\$2,800	-1.9%	\$2,874	
Number of New Leases		1,460	16.4%	1,254	22.8%	1,189	
Days on Market (From Original List Date)		44	-10.2%	49	4.8%	42	
Listing Discount (From Original List Price)		1.3%		2.0%		1.1%	
Listing Inventory		2,490	4.5%	2,382	23.5%	2,016	
Brooklyn Rental w/Concessions		MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16	
Median Rental Price		\$2,782	0.6%	\$2,765	-2.1%	\$2,843	
Share of New Leases w/OP + Concessions (%)		15.2%		14.7%		8.8%	
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	7.1%	1.4	
Brooklyn Rental Market by Size		MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16	
Studio -	Average Rental Price	\$2,459	-1.6%	\$2,500	10.1%	\$2,233	
	Rental Price per Sq Ft	\$52.37	-5.8%	\$55.57	-1.7%	\$53.25	
	Median Rental Price	\$2,450	0.2%	\$2,445	6.3%	\$2,304	
1-Bedroom -	Average Rental Price	\$2,703	-0.5%	\$2,717	-1.7%	\$2,750	
	Rental Price per Sq Ft	\$48.10	0.8%	\$47.73	-0.7%	\$48.42	
	Median Rental Price	\$2,676	0.3%	\$2,668	-3.6%	\$2,775	
2-Bedroom -	Average Rental Price	\$3,455	-2.7%	\$3,552	-0.1%	\$3,457	
	Rental Price per Sq Ft	\$44.35	-3.6%	\$45.99	-2.3%	\$45.39	
	Median Rental Price	\$3,125	-2.3%	\$3,200	-2.1%	\$3,191	
3+ Bedroom -	Average Rental Price	\$4,307	3.5%	\$4,162	-5.5%	\$4,559	
	Rental Price per Sq Ft	\$37.58	-1.0%	\$37.97	-15.3%	\$44.37	
	Median Rental Price	\$3,400	-0.9%	\$3,430	-14.2%	\$3,964	
Number of New Leases		208	33.3%	156	37.7%	151	
	Brooklyn Rental Market by Type		MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
	Luxury (Top 10%) - Median Rental Price		\$5,450	-3.6%	\$5,651	-0.6%	\$5,481
Luxury (Top 10%) - Entry Threshold		\$4,600	-2.2%	\$4,705	-1.1%	\$4,650	
New Development - Median Rental Price		\$3,400	3.0%	\$3,300	3.7%	\$3,278	

The Brooklyn rental market continued to show weakness at the upper end of the market and tighter conditions in the entry-level. The net effective rent of a Brooklyn apartment declined 2.1% to \$2,782 from the year-ago quarter, pulled lower by the decline in face rent and rise in landlord concessions. Their market share was 15.2% of new leases, nearly double the 8.8% market share of the same period last year. The market share of new development leases expanded by 2.2% to a 15.5% borough-wide share over the same period. The expansion of higher priced housing stock was not enough to offset the decline in borough-wide price trends. The 23.5% rise in listing inventory to 2,490 over the same period a year explains the weakness. Days on market, the number of days from the



original list date to the lease date, increased by two days to an average of 44 days from the same period a year ago. Listing discount, the percentage difference between the original and

lease dates, expanded nominally to 1.3% from 1.1% over the same period.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

9.6%

INVENTORY

Total Inventory

0.2%

NEW LEASES

Excludes Renewals

54.9%

OP + CONCESSIONS

Market Share

28.2%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.9%

- Market share of landlord concessions 4 times higher than year ago
- Nearly 4 out of 10 rentals were in new development
- Northwest Queens median rent was \$170 more than Brooklyn median rent

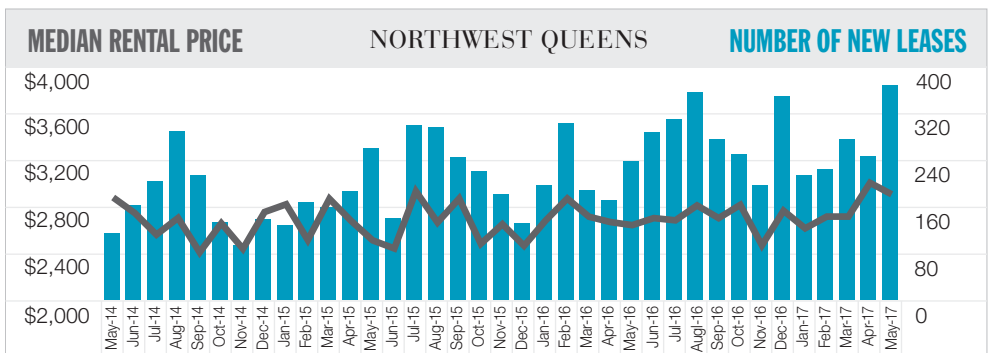
Queens Rental Market	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Average Rental Price	\$2,988	-1.8%	\$3,043	-3.6%	\$3,101
Rental Price per Sq Ft	\$50.93	0.1%	\$50.89	7.8%	\$47.26
Median Rental Price	\$2,990	-3.2%	\$3,088	9.6%	\$2,727
Number of New Leases	367	49.2%	246	54.9%	237
Days on Market (From Original List Date)	46	24.3%	37	17.9%	39
Listing Discount (From Original List Price)	0.5%		0.0%		1.4%
Listing Inventory	517	-13.3%	596	0.2%	516

Queens Rental w/Concessions	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Median Rental Price	\$2,902	-3.1%	\$2,995	7.5%	\$2,699
Number of New Leases w/OP + Concessions (%)	37.9%		45.5%		9.7%
Free Rent/Owner Paid (Mos)	1.3	18.2%	1.1	0.0%	1.3

Queens Rental Market by Size	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16	
Studio -	Average Rental Price	\$2,443	1.1%	\$2,417	1.4%	\$2,410
	Rental Price per Sq Ft	\$58.88	10.7%	\$53.17	18.2%	\$49.81
	Median Rental Price	\$2,545	0.3%	\$2,537	2.8%	\$2,475
1-Bedroom -	Average Rental Price	\$2,941	2.9%	\$2,858	9.7%	\$2,680
	Rental Price per Sq Ft	\$51.14	-0.1%	\$51.20	7.7%	\$47.47
	Median Rental Price	\$3,133	-0.9%	\$3,160	13.1%	\$2,771
2-Bedroom -	Average Rental Price	\$3,703	-3.5%	\$3,839	-1.5%	\$3,761
	Rental Price per Sq Ft	\$46.41	-11.8%	\$52.61	-1.6%	\$47.16
	Median Rental Price	\$4,049	1.4%	\$3,995	-2.4%	\$4,150
3+ Bedroom -	Average Rental Price	\$4,588	50.5%	\$3,049	-4.1%	\$4,786
	Rental Price per Sq Ft	\$42.89	21.3%	\$35.37	-4.4%	\$44.88
	Median Rental Price	\$3,995	33.4%	\$2,995	-18.4%	\$4,895
	Number of New Leases	9	28.6%	7	-69.0%	29

Queens Rental Market By Type	MAY-17	%Δ (MO)	APR-17	%Δ (YR)	MAY-16
Luxury (Top 10%) - Median Rental Price	\$4,505	-1.7%	\$4,581	-9.2%	\$4,963
Luxury (Top 10%) - Entry Threshold	\$3,995	-8.9%	\$4,386	-5.1%	\$4,210
New Development - Median Rental Price	\$3,210	-7.0%	\$3,225	10.1%	\$2,916
New Development - Market Share	38.7%		35.4%		51.5%

Note: The Northwest Queens rental market analysis is comprised of transactions in the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside.



The northwest Queens rental market remained significantly influenced by new development activity, accounting for 38.7% of new leases signed during the month. The region, made up of the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside, showed a 7.5% gain in net effective median rent to \$2,902 from the same period last month. The use of concessions by landlords was 37.9% or nearly four times higher than the 9.7% shares of the same period a year ago. The growth of inventory noticeably cooled, rising a nominal 0.2% to 517 over the same period after 20 consecutive months of significantly higher gains.

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Report Methodology:
<http://www.millersamuel.com/research-reports/methodology>

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